Labour Market Bulletin

Saskatchewan

April 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Saskatchewan, including Regina-Moose Mountain, Swift Current-Moose Jaw, Saskatoon-Biggar, Yorkton-Melville and Prince Albert and Northern economic regions.

OVERVIEW

There were 565,800 people working in Saskatchewan in April 2017 as employment dropped 4,900 compared to the previous month. Both full- and part-time employment declined during this period, by 4,300 and 500 respectively. All told, employment dropped by 2,300 between April 2017 and April 2018.

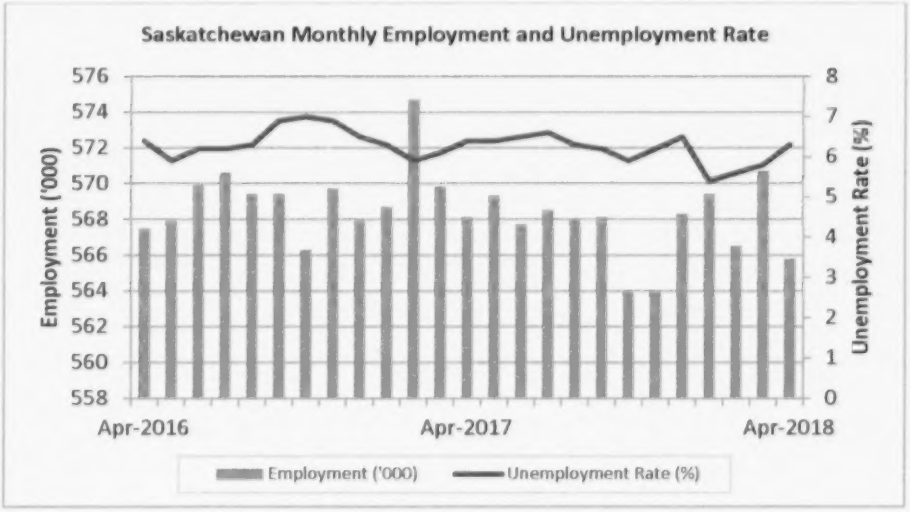
Saskatchewan Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	April 2018	March 2018	April 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	883.4	882.6	875.2	0.8	0.1	8.2	0.9
Labour Force ('000)	603.9	606.1	606.7	-2.2	-0.4	-2.8	-0.5
Employment ('000)	565.8	570.7	568.1	-4.9	-0.9	-2.3	-0.4
Full-Time ('000)	463.1	467.4	464.2	-4.3	-0.9	-1.1	-0.2
Part-Time ('000)	102.8	103.3	103.9	-0.5	-0.5	-1.1	-1.1
Unemployment ('000)	38.0	35.4	38.7	2.6	7.3	-0.7	-1.8
Unemployment Rate (%)	6.3	5.8	6.4	0.5	-	-0.1	-
Participation Rate (%)	68.4	68.7	69.3	-0.3	-	-0.9	-
Employment Rate (%)	64.0	64.7	64.9	-0.7	-	-0.9	-

Note: Totals may not add due to rounding
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Employment in all three employment sectors declined this month. The public and private sectors shed 1,100 and 3,700 positions in April. Meanwhile, the number of self-employed Saskatchewanians dropped 100 during the same period. According to the Canadian Federation of Independent Business' latest monthly Business Barometer, optimism among Saskatchewan's small business owners stood at an index of 54.6 on a scale of zero and 100 – two points below the national average of 56.6 points. Insufficient domestic demand was the main

operating challenge for the businesses surveyed, followed by a shortage of skilled labour and management skills. Hiring plans also remained weak in April, as 20% of Saskatchewan's small business owners stated that they plan to cut jobs over the next three to four months. Meanwhile, only 15% of business owners reported that they plan to increase full-time employment during the same period.[1]



Saskatchewan's unemployment rate increased to 6.3% in April, up 0.5 percentage points compared to the previous month. Despite the substantial increase in the unemployment rate, Saskatchewan's rate remains lower than the national average of 6.4% this month. Meanwhile, the provincial unemployment rate remained virtually unchanged on an annual basis (-0.1 percentage points).

Employment conditions in Saskatchewan are projected to remain sluggish over the next two years. According to the Conference Board of Canada's latest provincial outlook, the number of people employed in the province is anticipated to increase 2,000 in 2018 and by another 2,000 in 2019.[2] Recovery in the province's agriculture and a pick-up in global demand for potash and oil are anticipated to help the economic growth over the next few years. Meanwhile, conditions in the uranium industry remain uncertain which poses challenges for the local economy.[3]

Saskatchewan Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	April 2018 (%)	March 2018 (%)	April 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	6.3	5.8	6.4	0.5	-0.1
25 years and over	5.5	5.0	5.6	0.5	-0.1
Men - 25 years and over	6.3	5.6	6.1	0.7	0.2
Women - 25 years and over	4.6	4.4	5.0	0.2	-0.4
15 to 24 years	11.0	11.0	10.9	0.0	0.1
Men - 15 to 24 years	14.5	13.3	11.9	1.2	2.6
Women - 15 to 24 years	7.1	8.2	9.9	-1.1	-2.8

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Saskatchewan's youth unemployment rate was twice the rate for those aged 25 years and over in February (11% versus 5.5%). Overall, the unemployment rate for youth remained virtually unchanged during this month due to a sharp decline in the rate for young women (-1.1 percentage points). Conversely, the unemployment rate for young men rose from 13.3% in March 2018 to 14.5% this month.

EMPLOYMENT BY INDUSTRY

The services-producing sector was responsible for the majority of the employment losses this month (-4,300) as well as on the year (-2,000). Meanwhile, the goods-producing sector also shed positions during these periods.

Saskatchewan Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	April 2018	March 2018	April 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	565.8	570.7	568.1	-4.9	-0.9	-2.3	-0.4
Goods-producing sector	146.2	146.7	146.3	-0.5	-0.3	-0.1	-0.1
Agriculture	37.0	36.8	38.3	0.2	0.5	-1.3	-3.4
Forestry, fishing, mining, quarrying, oil and gas	25.3	24.8	23.6	0.5	2.0	1.7	7.2
Utilities	6.6	6.7	6.9	-0.1	-1.5	-0.3	-4.3
Construction	48.6	49.4	49.4	-0.8	-1.6	-0.8	-1.6
Manufacturing	28.7	29.0	28.1	-0.3	-1.0	0.6	2.1
Services-producing sector	419.7	424.0	421.7	-4.3	-1.0	-2.0	-0.5
Trade	90.1	90.9	93.1	-0.8	-0.9	-3.0	-3.2
Transportation and warehousing	27.5	30.0	26.4	-2.5	-8.3	1.1	4.2
Finance, insurance, real estate and leasing	28.3	28.1	27.2	0.2	0.7	1.1	4.0
Professional, scientific and technical services	25.8	26.1	32.1	-0.3	-1.1	-6.3	-19.6
Business, building and other support services	15.1	14.5	12.7	0.6	4.1	2.4	18.9
Educational services	41.4	41.5	40.3	-0.1	-0.2	1.1	2.7
Health care and social assistance	77.8	79.4	76.9	-1.6	-2.0	0.9	1.2
Information, culture and recreation	20.4	21.0	21.9	-0.6	-2.9	-1.5	-6.8
Accommodation and food services	37.2	35.8	36.8	1.4	3.9	0.4	1.1
Other services	25.4	25.9	24.7	-0.5	-1.9	0.7	2.8
Public administration	30.8	30.8	29.5	0.0	0.0	1.3	4.4

Note: Totals may not add due to rounding
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Looking at individual goods-producing industries, employment in agriculture improved in April with the industry adding 200 positions. After the agriculture industry experienced limited growth in 2017, seeding of this year's crops has started in Saskatchewan. According to the provincial government's latest crop report, nine percent of the crop has been planted across the province, behind the average of 19% during this time of the year. Areas in southern Saskatchewan remained dry, and there were several wildfires across the province.[4] Farmers across the province are planning to seed fewer acres of canola and soybeans this year compared to record high levels in 2017; this is potentially due to weaker prices of the crops as well as to exports falling

sharply. Instead, Canadian producers have shifted production to cereal grains such as wheat, barley and corn due to an increase in demand in 2018.[5]

The number of people employed in the resource extraction industry (i.e. forestry, fishing, mining, quarrying, oil and gas) increased further in April (+500). Conditions in Saskatchewan's oil industry are improving as prices pick up. Saskatchewan's first public offering of Crown petroleum and natural gas rights for 2018-2019, held in early April, generated $2.9 million for the Province, almost double the amount raised during the same period in 2017.[6] As well, the industry is benefiting from new cost-effective thermal extraction technology that is anticipated to boost investment over the next few years.[7] For instance, Calgary-based Husky Energy plans to develop two new cost-effective thermal extraction plants in the Prince Albert and Northern Saskatchewan economic region, which will cost $700 million.

Meanwhile, conditions are improving in Saskatchewan's potash industry due to increasing global demand for the mineral as well as strengthening price. K+S Potash's new Bethune mine, which was completed in May 2017, and Nutrien's (formerly PotashCorp) expanded Rocanville mine have ramped up production. As a result, the Conference Board of Canada anticipates real non-metal mining output to grow 4.6% in 2018 and by another 4.1% in 2019.[8] Despite the optimism, the industry is facing challenges related to shipping and transportation of the mineral. Due to the possibility of a strike at the Canadian Pacific Railway, Nutrien temporarily laid off about 470 workers at its Vanscoy mine near Saskatoon in April and plans to lay off another 140 workers at the Allan mine in early May.[9] Apart from Nutrien, Mosaic Co. has also been affected by the rail troubles. Mosaic ships out about eight million tonnes of potash by rail from its Saskatchewan mines each year, has shifted its maintenance schedule to mitigate the impact of the rail challenges.[10]

Turning to the services-producing sector, the transportation and warehousing industry recorded the largest drop in employment this month (-2,500). The Canadian Pacific (CP rail) and Canadian National Railways (CN rail) are facing some challenges including a rail strike as well as a shortage of rail cars. Employees of CP rail were scheduled to go on a strike in the week of April 16, 2018, after the company and the two employee unions, Teamsters and the International Brotherhood of Electrical Workers, failed to reach an agreement for a new contract. The strike has been temporarily averted after the federal labour minister ordered CP rail employees to vote on the company's final offers in May.[11] Meanwhile, the agriculture industry has been affected by a shortage of rail cars. According to the Ag Transport Coalition, only 38% of rail cars ordered in the week of February 12 were provided by Canadian National and Canadian Pacific Railway. The lack of rail cars is causing backlogs and delays in grain shipments; and due to late grain deliveries, farmers in the province have taken a financial hit.[12]

There were more people employed in Saskatchewan's public sector industries in April compared to the same period last year. Employment in healthcare and social assistance is up 900 positions, while public administration added 1,300 employees on the year. Likewise, the educational services industry added 1,100 positions on the month. There have been some positive announcements in the public sector industries over the past two months. In its 2018-19 budget, the Provincial government earmarked $5.77 billion in spending for health care and social services and assistance in this fiscal year. The province's health authority will receive $3.5 billion of the funding and $49.4 million will go towards physician services, which includes the recruitment of new specialists and primary physicians.[13]

On the education front, the provincial government recently announced $7.5 million in immediate funding to school divisions to help ease frontline pressures. These grants will be increased to $30 million in the 2018-19 budget and will be directed towards hiring 400 education professionals.[14] The province has also reinstated its plans of reducing its public service workforce by five percent to offset nearly $185M in lost revenue due to the reinstatement of PST exemptions on agricultural, life and health insurance.[15] The Province has announced that it will look at ways to eliminate jobs through retirements and attrition.[16]

The information, culture and recreation industry shed 1,500 positions in April compared to a year ago. With the increasing popularity of the internet as a news source, demand for print and traditional broadcast media has declined over the past decade. The consequent loss of advertising and classified revenue has led to several media outlets to cut operations across the province. Dozens of Saskatchewan daily and weekly newspapers have ceased operations over the years, including Star News Publishing's Moose Jaw Times Herald.[17] As well, telecommunication companies are looking to change technologically to remain competitive. Calgary-based Shaw Communication Inc., for instance, offered voluntary buyouts to 6,500 Shaw and Freedom Mobile workers to refocus its operations across Canada.[18] Over 3,000 employees accepted a voluntary buyout package from company. The departures will be spread over the next 18 months.[19]

REGIONAL ANALYSIS

Compared to the same period last year, employment is down in three out of five economic regions in Saskatchewan. Meanwhile, the unemployment rate has dropped in two out of the five economic regions during this period.

Saskatchewan Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	April 2018 ('000)	April 2017 ('000)	Yearly Variation (%)	April 2018 (%)	April 2017 (%)	Yearly Variation (% points)
Saskatchewan	558.9	561.6	-0.5	6.5	6.7	-0.2
Economic Regions						
Regina-Moose Mountain	183.0	184.1	-0.6	5.8	5.3	0.5
Swift Current-Moose Jaw	49.5	51.6	-4.1	4.6	3.9	0.7
Saskatoon-Biggar	193.2	190.6	1.4	6.9	7.9	-1.0
Yorkton-Melville	34.1	38.4	-11.2	9.3	5.7	3.6
Prince Albert and Northern	99.1	96.9	2.3	7.0	9.0	-2.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

The number of people employed in Regina-Moose Mountain decreased 600 between April 2017 and April 2018. Both the goods- as well as the services-producing sectors shed positions during this period, with wholesale and retail trade, and professional, scientific and technical services industries are registering the largest losses.[20] In spite of lower employment numbers, Regina's prospects remain bright as services sector activity picks up in the near-term. According to the Conference Board of Canada, services-producing industries will grow 2.2% in 2018.[21]

Employment in Saskatoon-Biggar increased 2,600 in April compared to the same month in 2017. The number of people working in the goods-producing sector rose 700 during this period, while the services-producing sector added 1,900 employees during this period. Manufacturing activity is booming in the region due in part to increased activity in the province's resource extraction industry. Overall, the number of people employed in manufacturing increase 2,600 this month. Meanwhile, construction employment dropped considerably during this period (-1,600). According to Canada Mortgage and Housing Corporation's latest outlook, Saskatoon's housing market is showing signs of overbuilding.[22]

Finally, the number of people employed in Prince Albert and the Northern region is up 2,200 on an annual basis. The region received some positive news when SSR Mining Inc. announced that it plans to spend $90M on expansion over seven years at its Seabee gold mine located near La Ronge.[23] The expansion project is anticipated to boost production, reduce operating costs and extend the mine's lifespan. Moreover, Saskatoon-based Star Diamond Corp., which is currently awaiting approval from the provincial Ministry of Environment, is planning to build a $1.41 billion diamond mine near Prince Albert. The Star-Orion-South property is expected to create thousands of jobs during the construction phase and employ hundreds of people over the project's 38-year span.[24]

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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For information on the Labour Force Survey*, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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